

ANCHORS AWEIGH BODY CORPORATE
(Registration number SS 666/1996)
FINANCIAL STATEMENTS
for the year ended 31 August 2015

H.C. Pretorius Inc.
Registered Auditors
Issued 12 November 2015

ANCHORS AWEIGH BODY CORPORATE
FINANCIAL STATEMENTS
for the year ended 31 August 2015

The reports and statements set out below comprise the annual financial statements presented to the trustees:

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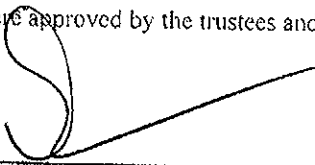
Approval

The financial statements which appear on pages 4 to 11 were approved by the trustees and signed on their behalf by:



Trustee

Date: 27/11/15.



Trustee

Date: 20/11/2015.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ANCHORS AWEIGH BODY CORPORATE

To the members of Anchors Aweigh Body Corporate

We have audited the accompanying financial statements of Anchors Aweigh Body Corporate, which comprise the trustee's report, the statement of financial position as at 31 August 2015, the statement of financial performance, the statement of changes in equity and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes set out on pages 4 to 10.

Trustee's Responsibility for the Financial Statements

The body corporate's trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards for Small and Medium-Sized Entities, and in the manner required by the Sectional Titles Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the body corporate as at 31 August 2015 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities, and in the manner required by the Sectional Title Act of South Africa.

H.C. Pretorius Inc.
Registered Auditors

Date _____
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**ANCHORS AWEIGH BODY CORPORATE
TRUSTEES' RESPONSIBILITIES
for the year ended 31 August 2015**

The trustees are required by the Sectional Title Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the body corporate as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the body corporate and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the body corporate and all employees are required to maintain the highest ethical standards in ensuring the body corporate's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the body corporate is on identifying, assessing, managing and monitoring all known forms of risk across the body corporate. While operating risk cannot be fully eliminated, the body corporate endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the body corporate's cash flow forecast for the year to 31 August 2016 and, in the light of this review and the current financial position, they are satisfied that the body corporate has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently reviewing and reporting on the body corporate's financial statements. The financial statements have been examined by the body corporate's external auditor and his report is presented on page 2.

**ANCHORS AWEIGH BODY CORPORATE
TRUSTEES' REPORT
for the year ended 31 August 2015**

The trustees present their report for the year ended 31 August 2015. This report forms part of the audited financial statements.

1. Business and operations

The body corporate is the controlling body of Anchors Aweigh Body Corporate.

The operating results and state of affairs for the Body Corporate are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Events after the reporting period

The trustees are not aware of any matter or circumstance arising since the end of the financial year.

3. Trustees

The trustees of the body corporate during the accounting period and up to the date of this report were as follows:

J. van Emmenes
D. Winterbach
G. Byleveldt
H. Grobler
Mr. Wood

4. Managing agents

The managing agents of the body corporate is Pam Golding Properties, whose business and postal addresses are:

Forum Building
78 Marine Drive
Margate
4275

P.O. Box 312
Hibberdene
4220

5. Auditors

H.C. Pretorius Inc. will continue in office in accordance with the Sectional Title Act (No. 95 of 1986).

6. Insurance

The body corporate is insured by Blue Magnolia underwritten by Risk Thatch Insurance - 01 August 2015 to 31 July 2016.

7. Management and conduct rules

There have been no changes to the Management Rules or the Conduct Rules as set out in Annexure 8 & 9 of the regulations to the Sectional Titles Act.

**ANCHORS AWEIGH BODY CORPORATE
STATEMENT OF FINANCIAL POSITION
as at 31 August 2015**

	Notes	2015 R	2014 R
Assets			
Current assets			
Accounts receivable	2	154,696	214,948
Cash and cash equivalents	3	<u>275,221</u>	<u>168,013</u>
Total assets		<u><u>429,917</u></u>	<u><u>382,961</u></u>
 Funds and liabilities			
Funds and reserves			
Surplus		293,937	237,686
Current liabilities			
Accounts payable	4	<u>135,980</u>	<u>145,275</u>
Total funds and liabilities		<u><u>429,917</u></u>	<u><u>382,961</u></u>

ANCHORS AWEIGH BODY CORPORATE
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 August 2015

	2015 R	2014 R
Income	2,450,938	2,446,604
Levies - Normal	1,873,691	1,817,888
Levies - Insurance claims	39,486	196,726
Levies - Other	59,177	77,332
Electricity recovered	348,004	287,920
Interest received	3,848	3,571
Interest	1,784	595
Rent received	124,948	62,572
Total income	2,450,938	2,446,604
Expenditure	2,394,687	2,504,943
Auditors' remuneration	7,500	7,100
Advertising	-	1,441
Animal feed	-	6,000
Bank charges	3,807	8,030
Cleaning	700	450
Computer expenses	1,441	-
Electricity	375,773	345,089
Garden services	188,000	160,183
Insurance	433,485	317,031
Insurance claims	24,993	83,168
Interest	-	84
Legal expenses	-	2,631
Managing agents fees	125,430	122,629
Meeting expenses	500	-
Printing and stationery	-	2,891
Professional fees	-	4,924
Rates and taxes	3,063	3,665
Refuse	7,205	6,734
Repairs and maintenance	709,849	1,011,498
Security	179,114	159,695
Taxation fees	900	900
Telephone & fax	7,455	9,385
Water	325,472	251,415
Surplus/(deficit)	56,251	(58,339)
Retained surplus at beginning of year	237,686	296,025
Retained surplus at end of year	293,937	237,686

**ANCHORS AWEIGH BODY CORPORATE
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 August 2015**

	Distributable reserve R
Balance at 01 September 2013	296,025
Net deficit for the year	<u>(58,339)</u>
Balance at 01 September 2014	237,686
Net surplus for the year	<u>56,251</u>
Balance at 31 August 2015	<u><u>293,937</u></u>

**STATEMENT OF CASH FLOWS
for the year ended 31 August 2015**

	Notes	2015 R	2014 R
Cash flows from operating activities			
Cash generated by/(utilised in) operating activities	9.1	103,360	(86,446)
Interest received		3,848	3,571
Interest paid		-	(84)
Taxation paid		-	(456)
Net cash from operating activities		<u>107,208</u>	<u>(83,415)</u>
Increase/(decrease) in cash and cash equivalents		107,208	(83,415)
Cash and cash equivalents at beginning of the year	9.2	<u>168,013</u>	<u>251,428</u>
Cash and cash equivalents at end of the year	9.2	<u><u>275,221</u></u>	<u><u>168,013</u></u>

ANCHORS AWEIGH BODY CORPORATE
ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

1 Presentation of Financial Statements

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities, and the Sectional Titles Act of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rand.

The accounting policies are consistent with the previous period.

1.1 Significant judgements

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

1.2 Financial Instruments

Trade and other receivables

Trade receivables are measured at initial recognition at fair value.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivables are impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial performance within operating expenses. When a trade receivable is uncorrectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amount previously written off are credited against operating expenses in the statement of financial performance.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Trade and other payables

Trade payables are initially measured at fair value.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.4 Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Tax expense

Current Tax is charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

ANCHORS AWEIGH BODY CORPORATE
ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

	2015 R	2014 R
2. Accounts receivable		
Debtors control account	113,878	175,253
Deposit - Eskom	40,818	39,695
	<u>154,696</u>	<u>214,948</u>
3. Cash and cash equivalents		
Status-Mark trust account	150	7,625
Absa Bank call account	56,910	56,910
Absa Bank 32 day notice deposit	20,061	20,061
Standard Bank retail call deposit	-	38,351
Absa Bank savings account	182,310	29,963
Absa Bank depositor plus	15,790	15,103
	<u>275,221</u>	<u>168,013</u>
4. Accounts payable		
H.C Pretorius Inc.	8,400	8,000
Levies received in advance	86,298	30,838
Eskom	-	40,769
UGU District Municipality	23,769	99,730
Hibiscus Coast	1,069	3,934
Ekhwesi Energy (Pty) Ltd	-	587
Gladiator Security	-	10,750
G&G Services	500	500
EFC Territory	1,362	-
Property Management South Coast	10,453	-
Wilhelm Steynberg Attorneys	3,229	-
Johan Venter T/A Anchors Crime Stop	(300)	-
Reka Trade Margate	1,200	-
Van Emmenes S	-	(49,833)
	<u>135,980</u>	<u>145,275</u>
5. Repairs and maintenance		
Buildings - Note 5A	312,846	569,032
Electrical	16,800	32,320
Plumbing	26,179	8,155
Pool	9,755	9,830
Pest control	7,500	9,700
Fire Equipment	6,135	4,833
Security	70,438	27,242
Painting	10,296	75,458
Maintenance contract	249,900	274,928
	<u>709,849</u>	<u>1,011,498</u>

ANCHORS AWEIGH BODY CORPORATE
ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2015

	2015 R	2014 R
5A. Repairs and maintenance - Buildings		
Thatch	114,100	207,070
Thatchers	95,896	167,746
Building Maintenance	102,850	194,216
	<u>312,846</u>	<u>569,032</u>
6. Taxation		
No provision has been made for 2015 taxation due to the fact that the Body Corporate qualifies for the tax exemption of up to R50 000 under section 10(1)(e).		
7. Levies - Other		
Exclusive use	59,177	61,029
Other	-	16,303
	<u>59,177</u>	<u>77,332</u>
8. Rent received		
AGS Church	32,544	26,000
Full Gospel Church	10,943	10,496
Garage	3,950	4,917
Store room	6,449	7,849
Other	11,062	13,310
Top Hall	60,000	-
	<u>124,948</u>	<u>62,572</u>
9. Notes to the statement of cash flows		
<i>9.1 Cash generated by/(utilised in) operating activities</i>		
Net profit/(loss)	56,251	(58,339)
Adjustments for:		
Interest received	(3,848)	(3,571)
Finance costs	-	84
	<u>52,403</u>	<u>(61,826)</u>
Movements in working capital		
Decrease/(increase) in accounts receivable	60,252	(96,722)
(Decrease)/increase in accounts payable	(9,295)	72,102
	<u>103,360</u>	<u>(86,446)</u>
<i>9.2 Cash and cash equivalents</i>		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	<u>275,221</u>	<u>168,013</u>

ANCHORS AWEIGH BODY CORPORATE
Tax reference number 9529/086/14/3
TAX COMPUTATION
31 August 2015

The body corporate will be taxable on all other income including investment income (levy income is not taxable in hands of the body corporate). A tax exemption, under section 10(1)(e), of up to R50 000 is applicable on such other income after the following expenses are taken into account. Expenditure directly related to such other income will be allowed as a deduction in terms of the Act. A deduction of a fixed percentage of the general or total expenditure is not acceptable. A proportionate share of accounting, audit and bank charges will be allowed against the taxable income (taxable income in relation to total income).

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TOTAL INVESTMENT AND OTHER INCOME

Total investment income	3,848
Total income per income statement	2,450,939

LIST OF EXPENDITURE TO BE TAKEN INTO ACCOUNT

Audit fees	7,500
Bank charges	3,807
Total expenses	11,307

CALCULATION OF EXPENDITURE ALLOWED AS TAX DEDUCTION

Total investment income x Expenses
Total income

3,848	x	11,307	
		2,450,939	
=		18	

CALCULATION OF TAXABLE INCOME

= Total investment income - Expenditure allowed as tax deduction

=	3,848	-	18	
=	3,830			

Taxable income before exemption	3,830
Tax exemption as per s10(1)(e)	(3,830)
Taxable Income	-
Taxation thereon @ 28c in the Rand	NIL

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for the year ended 31 August 2015**

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Approval

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Trustee

Date:

27/11/15.

Trustee

Date: _____